

**BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.**

DEPARTMENT OF TRANSPORTATION

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DOCKET SECTION

QA 29506

In the matter of

**COMPUTER RESERVATIONS
SYSTEM (CRS) REGULATIONS**

**Advance Notice of Proposed
Rulemaking 97-9**

Docket OST-97-2881-51

**COMMENTS OF
SOUTHWEST AIRLINES CO.**

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December 9, 1997

**BEFORE THE
COMMITTEE ON TRANSPORTATION
U.S. SENATE
WASHINGTON, D.C.**

In the matter of

COMPUTER RESERVATIONS SYSTEM (CRS) REGULATIONS

Docket OST-97-2881

Advance Notice of Proposed Rulemaking 97-9

**COMMENTS OF
SOUTHWEST AIRLINES CO.**

On September 10, 1997 the Department published Advance Notice of Proposed Rulemaking (ANPRM) 97-9, requesting comments on the extension and possible modification of the Department's computer reservation system (CRS) regulations. Those regulations are presently scheduled to sunset on December 31, 1997 unless extended by the Department. By Notice 97-11, published November 3, 1997, the Department has proposed to extend the expiration date of the current rules by 15 months, i.e., until March 31, 1999, while the Department conducts what it described as an "overall re-examination" of the CRS rules in this proceeding. 62 Fed. Reg. 59313, 59314.

The Department's current CRS regulations are the product of many years of rulemaking, beginning in the early 1980's, in which Southwest has been an active

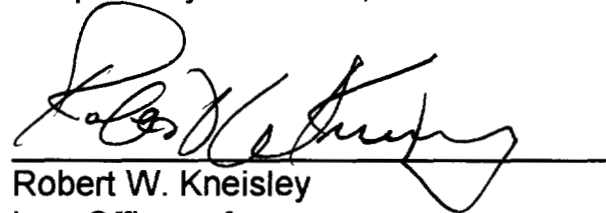
participant. Southwest continues to be vitally concerned that the Department maintains effective, pro-competitive CRS rules, and believes that the Department's existing CRS regulations serve an essential role in restraining the market power of CRS vendors and thereby in enhancing airline competition. Accordingly, Southwest urges that, at a minimum, the existing CRS regulations be extended for an additional five years following this proceeding. We also support continued close monitoring of the CRS industry by the Department, to ensure that the inherent market power of CRSs is not used in new or unexpected ways to impede competition between airlines that own CRSs and those that do not.

Beyond this, the Department's ANPRM raises a number of significant issues with potentially far-reaching consequences. While Southwest agrees that the issues raised by the Department's ANPRM should be seriously considered, Southwest does not at this time advocate any specific change in the existing rules. The current rules, while perhaps not perfect from the standpoint of the interested parties who will no doubt implore the Department to "refine" the rules for their competitive advantage, nonetheless reflect a stable, workable solution to a complex set of issues. For the competitive marketplace to work, stability and certainty may be preferable to endless regulatory tinkering in a futile quest for perfection. Bearing in mind that proposals for change are commonly driven by a desire to advance the proponent's own competitive agenda, and that seemingly minor changes can have unforeseen consequences, we believe that any change in the current rules should be undertaken

only after exhaustive study, and an assurance that the change will truly benefit the public interest as well as the private interest of the proponent.

Because Southwest is not requesting any modification of the existing regulations at this time, it sees no need to comment further at this point. Southwest reserves its right to reply to the initial comments filed by other parties, at the January 23, 1998 date established for that purpose.

Respectfully submitted,

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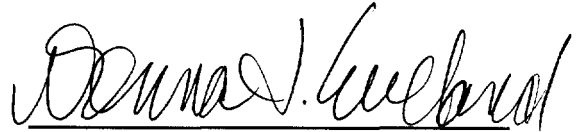
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CERTIFICATE OF SERVICE

I certify that I have this day served a copy of the foregoing Comments of Southwest Airlines Co. upon all parties listed on the attached service list by first class mail, postage prepaid.

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December 9, 1997

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